

the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts specifically applicable to the projects involved.

### Background

The Marketing Plan describes how the Sierra Nevada Region will market its power resources from the Central Valley Project, Washoe Project, and other sources beginning January 1, 2005, through December 31, 2024. The 2005 Resource Pool was established for new power allocations, and those allocations were made to qualified entities. The Marketing Plan provided for making a Custom Product available to interested customers. The Custom Product is a combination of additional services such as supplemental power, scheduling agent and coordinator services, and ancillary services.

This notice provides an extension of time to commit to purchase the Custom Product. The Marketing Plan required a customer to commit to purchase the Custom Product by December 31, 2002. By this notice Western extends this date from December 31, 2002, to June 30, 2004. The customers must notify the Sierra Nevada Region on or before June 30, 2003, of their intention to participate in the Custom Product. Any customer deciding to purchase the Custom Product must sign a contract on or before June 30, 2004.

Dated: September 10, 2002.

**Michael S. Hacskaylo,**  
*Administrator.*

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## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### **Parker-Davis Project—Extension of the Rate Methodology for Firm Power Service and Firm and Nonfirm Transmission Service—Rate Order No. WAPA-98**

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of Rate Order.

**SUMMARY:** This action is to extend the existing Parker-Davis Project (Parker-Davis) rate methodology for determining the firm power service rate and the firm and nonfirm point-to-point transmission service rates, established under Rate Order No. WAPA-75, through September 30, 2004. The existing Parker-Davis rate methodology will expire September 30, 2002.

**FOR FURTHER INFORMATION CONTACT:** Mr. Todd Statler, Financial Analyst, Desert

Southwest Customer Service Region, Western Area Power Administration, PO Box 6457, Phoenix, AZ 85005-6457, (602) 352-2781, or e-mail [statler@wapa.gov](mailto:statler@wapa.gov).

**SUPPLEMENTARY INFORMATION:** By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated (1) the authority to develop long-term power and transmission rates on a nonexclusive basis to the Administrator of Western Area Power Administration (Western), (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary, and (3) the authority to confirm, approve, and place into effect on a final basis, to remand or to disapprove such rates to the Federal Energy Regulatory Commission (FERC).

Pursuant to applicable Delegation Orders and existing Department of Energy (DOE) procedures for public participation in power and transmission rate adjustments in 10 CFR part 903, Western's Parker-Davis rate methodology for firm power service and firm and nonfirm point-to-point transmission service was submitted to FERC for confirmation and approval on November 19, 1997. On March 10, 1998, in Docket No. EF98-5041-000, at 82 FERC ¶ 62,164, FERC issued an order confirming, approving, and placing in effect on a final basis the Parker-Davis rate methodology for firm power service and firm and nonfirm point-to-point transmission service. The rate methodology set forth in Rate Order No. WAPA-75 was approved for the period beginning November 1, 1997, and ending September 30, 2002.

On September 30, 2002, Western's Parker-Davis rate methodology for firm power service and firm and nonfirm point-to-point transmission service will expire. Western has proposed that the existing Parker-Davis rate methodology be extended pursuant to 10 CFR part 903.23.

The Secretary of Energy is extending the existing Parker-Davis rate methodology that is used each Fiscal Year (FY) to calculate the firm power service rates for capacity and energy (Rate Schedule PD-F6), the firm point-to-point transmission service rate (Rate Schedule PD-FT6), the firm point-to-point transmission service rate for delivery of Salt Lake City Area Integrated Projects Power (Rate Schedule PD-FCT6) and the nonfirm point-to-point transmission service rate (Rate Schedule PD-NFT6). The existing Parker-Davis rate methodology collects annual revenues sufficient to recover annual expenses (including interest

and capital requirements, thus ensuring repayment of the project within the cost-recovery criteria set forth in DOE Order RA 6120.2. Under the existing Parker-Davis rate methodology, the revenue requirements for generation and transmission are determined annually based on FY projections in the cost apportionment study. The cost apportionment study allocates all Parker-Davis expenses and other revenues between generation and transmission. The revenue requirement for generation determines the amount of funds to collect through firm power service rates for capacity and energy. Similarly, the revenue requirement for transmission determines the amount of funds to collect through firm point-to-point transmission service rates.

During this extension period of the existing Parker-Davis rate methodology, Western will initiate a rate adjustment process in accordance with procedures for public participation in power and transmission rate adjustments in 10 CFR part 903. Western anticipates this rate adjustment process to begin when audited financial data for FY 2001 and FY 2002 becomes available. In the meantime, Western will continue to conduct informal customer meetings to ensure involvement of interested parties in the rate process.

In accordance with 10 CFR part 903.23(a)(2), Western did not have a consultation and comment period and did not hold public information and comment forums. The notice of proposed extension of the Parker-Davis rate methodology for firm power service and firm and nonfirm point-to-point transmission service was published in the **Federal Register** (67 FR 34702) on May 15, 2002.

Following review of Western's proposal within the Department of Energy, I approve, in the absence of a Deputy Secretary, Rate Order No. WAPA-98, which extends the existing Parker-Davis rate methodology for determining the firm power service rate and the firm and nonfirm point-to-point transmission service rates through September 30, 2004.

Dated: September 13, 2002.

**Spencer Abraham,**  
*Secretary.*

#### **Order Confirming and Approving an Extension of the Parker-Davis Project Rate Methodology for Firm Power Service and Firm and Nonfirm Transmission Service**

This rate methodology was established pursuant to Section 302(a) of the Department of Energy Organization Act (42 U.S.C. 7152(a)),

through which the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch.1093, 32 Stat. 388), as amended and supplemented by subsequent enactments, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), were transferred to and vested in the Secretary of Energy (Secretary).

By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary delegated (1) the authority to develop long-term power and transmission rates on a nonexclusive basis to the Administrator of the Western Area Power Administration (Western), (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary, and (3) the authority to confirm, approve, and place into effect on a final basis, to remand or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). This extension of rate methodology is issued pursuant to the Delegation Order and the Department of Energy (DOE) rate extension procedures at 10 CFR part 903.

#### Background

In the order issued March 10, 1998, in Docket No. EF98-5041-000, at 82 FERC ¶ 62,164, FERC confirmed, approved, and placed in effect on a final basis Rate Order No. WAPA-75, the Parker-Davis rate methodology for firm power service and firm and nonfirm point-to-point transmission service. The rate methodology set forth in Rate Order No. WAPA-75 was approved for the period beginning November 1, 1997, and ending September 30, 2002. On September 30, 2002, the Parker-Davis rate methodology for firm power service and firm and nonfirm point-to-point transmission service will expire. This makes it necessary to extend the existing Parker-Davis rate methodology pursuant to 10 CFR part 903. With this approval, Rate Order No. WAPA-75 will be extended under Rate Order No. WAPA-98.

#### Discussion

Western proposes to extend the existing Parker-Davis rate methodology used each Fiscal Year (FY) to calculate the firm power service rates for capacity and energy (Rate Schedule PD-F6), the firm point-to-point transmission service rate (Rate Schedule PD-FT6), the firm point-to-point transmission service rate for delivery of Salt Lake City Area Integrated Projects Power (Rate Schedule PD-FCT6) and the nonfirm

point-to-point transmission service rate (Rate Schedule PD-NFT6). The existing Parker-Davis rate methodology provides for collecting annual revenues sufficient to recover annual expenses (including interest) and capital requirements, thus ensuring repayment of the project within the cost-recovery criteria set forth in DOE Order RA 6120.2. Under the existing Parker-Davis rate methodology, the revenue requirements for generation and transmission are determined annually based on FY projections in the cost apportionment study. The cost apportionment study allocates all Parker-Davis expenses and other revenues between generation and transmission. The revenue requirement for generation determines the amount of funds to collect through firm power service rates for capacity and energy. Similarly, the revenue requirement for transmission determines the amount of funds to collect through firm point-to-point transmission service.

During this extension period of the existing Parker-Davis rate methodology, Western will initiate a rate adjustment process in accordance with procedures for public participation in power and transmission rate adjustments in 10 CFR part 903. Western anticipates this rate adjustment process to begin when audited financial data for FY 2001 and FY 2002 becomes available. In the meantime, Western will continue to conduct informal customer meetings to ensure involvement of interested parties in the rate process.

In accordance with 10 CFR 903.23(a)(2), Western did not have a consultation and comment period and did not hold public information and comment forums. The notice of proposed extension of the Parker-Davis rate methodology for firm power service and firm and nonfirm point-to-point transmission service was published in the **Federal Register** (67 FR 34702) on May 15, 2002.

#### Order

In view of the foregoing, I hereby extend for a period effective October 1, 2002, and ending September 30, 2004, the existing Parker-Davis rate methodology for determining the firm power service rate and the firm and nonfirm point-to-point transmission service rates.

Dated: September 13, 2002.

**Spencer Abraham,**  
Secretary.

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## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Salt Lake City Area Integrated Projects and Colorado River Storage Project—Rate Order No. WAPA-99

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of Rate Order.

**SUMMARY:** The Secretary of the Department of Energy (DOE) confirmed and approved Rate Order No. WAPA-99 and Rate Schedule SLIP-F7, placing firm power rates from the Salt Lake City Area Integrated Projects (SLCA/IP) of the Western Area Power Administration (Western) into effect on an interim basis. The Secretary also confirmed Rate Schedules SP-PTP6, SP-NW2, SP-NFT5, SP-SD2, SP-RS2, SP-EI2, SP-FR2, and SP-SSR2, placing firm and non-firm transmission rates and ancillary services rates on the Colorado River Storage Project (CRSP) transmission system into effect on an interim basis. The provisional rates will be in effect until the Federal Energy Regulatory Commission (FERC) confirms, approves, and places them into effect on a final basis or until they are replaced by other rates. The provisional rates will provide sufficient revenue to pay all annual costs, including interest expense, repayment of investment, and irrigation aid within the allowable periods.

**DATES:** Rate Schedules SLIP-F7, SP-PTP6, SP-NW2, SP-NFT5, SP-SD2, SP-RS2, SP-EI2, SP-FR2, and SP-SSR2 will be placed into effect on an interim basis on the first day of the first full billing period beginning on October 1, 2002, and will be in effect until FERC confirms, approves, and places the rate schedules in effect on a final basis through September 30, 2007, or until the rate schedules are superseded.

**FOR FURTHER INFORMATION CONTACT:** Mr. Bradley S. Warren, CRSP Manager, CRSP Management Center, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606, (801) 524-6372, or Ms. Carol Loftin, Rates Manager, CRSP Management Center, Western Area Power Administration, P.O. Box 11606, Salt Lake City, UT 84147-0606, (801) 524-6380, or e-mail [loftinc@wapa.gov](mailto:loftinc@wapa.gov).

**SUPPLEMENTARY INFORMATION:** The Deputy Secretary of Energy approved the existing Rate Schedule SLIP-F6 for SLCA/IP firm power, Rate Schedules SP-PTP5, SP-NW1, and SP-NFT4 for firm and non-firm transmission, and Rate Schedules SP-SD1, SP-RS1, SP-EI1, SP-FR1, and SP-SSR1 for ancillary